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WAR FOOD ADMINISTRATION
OFFICE OF DISTRIBUTION
WASHINGTON 25, D.C.

MEMORANDUM OF UNDERSTANDING

August 14, 1944

Operating Procedure Relating to the Handling of
Commodities Which are Necessary to Meet Govern-
ment Requirements - by the President, Commodity
Credit Corporation

A-1. Issuance of Directives for Governmental Requirements

The Office of Distribution will issue directives from time to time to the Commodity Credit Corporation which will cover the commodities necessary to meet Governmental requirements, including those for Lend-Lease export.

II. Commodities Available for Government Requirements

Government requirements for commodities for which the President of Commodity Credit Corporation is responsible will be met, whenever possible, from stocks acquired by Commodity Credit Corporation as a result of its regularly established loan and purchase programs. In the case of directives concerning commodities which Commodity Credit Corporation has not acquired or which are not available for that purpose, Commodity Credit Corporation will take the necessary steps to purchase or otherwise obtain such commodities to meet the requirements of directives.

III. Sales of Commodities to Meet Lend-Lease Requirements

1. Directives issued by Office of Distribution will be either -

(a) General - in which case, except on tobacco, they will show the commodity, country of destination, and the quantities required. Under such directives, the Office of Distribution will subsequently issue Notices to Deliver or other form of requisition to inform Commodity Credit Corporation of the -

- (1) grades and classes of the commodity to be delivered,
- (2) delivery date,
- (3) port or ports of delivery,
- (4) container markings, and
- (5) other information necessary to identify the order and assist in the accuracy of shipments.

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- (b) Specific - in which case they will show the commodity, country of destination, quantities of each grade and classes required, delivery date, port of delivery, container markings, and other pertinent information as indicated above.
- (c) Directives on tobacco will show the commodity country of destination, the quantity required, and the lend-lease requisition number. Shipments will be made by Commodity Credit Corporation as cargo space is made available by British Ministry of War Transport.

Office of Distribution will supply Commodity Credit Corporation with FAS numbers on shipments of other than tobacco. On tobacco, FAS numbers will be furnished Commodity Credit Corporation or its agents by the British Ministry of War Transport.

2. Settlements will be made on the basis of delivery on board available ocean vessel. Necessary handling and transportation charges will be paid by Commodity Credit Corporation and included in the sales invoice, unless otherwise specifically provided. In the event of a movement to port of a commodity not then delivered, as in the case of cancelation of shipping facilities or redirection to another port, the additional charges incurred by Commodity Credit Corporation will be included in the sales invoice when the commodity is subsequently delivered.
3. Commodity Credit Corporation will arrange shipment of the commodity to the port in accordance with directives or Notices to Deliver from the Office of Distribution. Office of Distribution representative at port will act as agent for Commodity Credit Corporation in tracing shipments (except tobacco) after bill of lading is signed and arranging for loading on vessel at the port. Shipments will be consigned to all ports in the following manner, except to New York:

Consignee: War Shipping Administrator, for account
of (Lend-Lease Government)

Notify: (Name of War Shipping Administration Representative), and Office of Distribution, Agent for Commodity Credit Corporation.

Shipments to New York as follows:

Consignee: War Shipping Administration, c/o Office of Distribution, War Food Administration

Notify: War Forwarding Corporation, 25 Broadway, New York, and Office of Distribution, War Food Administration, New York, as Agent of Commodity Credit Corporation.

Office of Distribution representative at port will arrange disposition of shut-outs and ordering cars to storage, diversion orders, special service and accessorial orders, but in all cases, only upon the authorization of the regional office or agent of Commodity Credit Corporation that arranged the shipment.

Office of Distribution port representative will forward to the regional office or agent of Commodity Credit Corporation making the shipments, certified copy of on board ocean bill of lading and a memorandum copy.

Arrangements for obtaining Quartermaster Release (QMR) numbers, will be made by the Traffic Officer, Commodity Credit Corporation, Washington, D.C.

4. Vouchers and Supporting Documents

- (e) Commodity Credit Corporation, or its authorized agent, will prepare public vouchers on Form SMA-120 or Standard Form No. 1034 covering deliveries under Governmental requirements directives. The certified original and two copies (yellow) of vouchers will be forwarded to Office of Distribution, Program Accounting Office, 150 Broadway, New York, New York, accompanied by the following supporting documents:
 - (1) Certified on board ocean bill of lading - one memorandum copy
 - (2) Reweighting sheets, loading manifests, or shipping lists - two copies showing:
 - a. Commodity, grade, etc. designation, total gross and net weight, as applicable
 - b. Detailed description of each package or kind of package, including bale, tierce or drum numbers and the gross, tare and net weights, as applicable.
 - (3) Invoice of Commodity Credit Corporation which will make reference to the Office of Distribution directive by number and to the Lend-Lease requisition numbers shown thereon and, in the case of cotton, the sales price per unit, the applicable handling and transportation charges (itemized), if any, Documents will not be required to support the handling and transportation charges which have been incurred. The total amount of the sales invoice will be carried forward to the voucher, Form SMA-120 or Standard Form No. 1034. In the case of shipments of tobacco, the invoice will not be required and only the average per unit price and total amount need be shown on the voucher.

(b) Provisional Payments

In the case of partial deliveries to available vessel, Commodity Credit Corporation may prepare and submit vouchers (Form SMA-120 or Standard Form No. 1034) for provisional payments based upon certified copies of the ocean bills of lading covering such partial deliveries. Provisional payment vouchers will be identified as such and be based upon the actual sales price, if known, or on the average price for the lot, plus known charges, and will be supported by the certified (signed) on board bill of lading - one memorandum copy.

Note: The reweight sheets, loading manifests, or shipping lists will accompany the final voucher covering the shipment. Credit will be given on such final voucher for provisional payments. Office of Distribution will obtain Commodity Receipts, if and as required.

(c) Basic sales prices will be determined by Commodity Credit Corporation on the basis of:

- (1) Cost (including interest on investment at the rate of 3 percent per annum);
- (2) Cost plus 1 percent;
- (3) Parity price, or
- (4) Market price, in the case of those commodities for which a general market price is established.

5. Commodity Credit Corporation through its regional office or its agents making shipments will furnish Office of Distribution representative at loading port, the following promptly after ordering out shipment:

- (a) A complete statement of shipment showing origin, route, number of packages, and total weight.
- (b) Two copies of reweight sheets, loading manifests or shipping lists showing container numbers, markings, and individual container weights.
- (c) Original signed inland bill of lading showing car initial and numbers and carrying identifying F.A.S. numbers and shipping order numbers.
- (d) If original bill of lading cannot be submitted immediately after cars are loaded, then car initials and numbers should be furnished by telephone or telegraph, identified by F.A.S. number and shipping order numbers.

6. Monthly Reports of Liftings Except on Tobacco

Commodity Credit Corporation, through its regional office or designated agency, will furnish Commodity Accountability Section, Finance Division, Office of Distribution, Washington 25, D.C., with monthly reports of the "deliveries-on-board ocean steamer" completed during the month, showing the quantity of each commodity by country of destination.

IV Transfer of Commodities to Meet Territorial and Caribbean Emergency Programs Requirements

1. Office of Distribution will issue directives to Commodity Credit Corporation with respect to commodities required to meet the requirements of Territorial and Caribbean Emergency Programs in the same manner as outlined for Lend-Lease requirements in section III-1 above. Commodities made available in accordance with such directives will be transferred to the General Commodities Purchase Program administered by the Vice President who is the Director of Distribution for export and ultimate disposition.
2. Transfer of the inventory and value of such commodities will be made on the basis of delivery free alongside available ocean carrier, with necessary handling and transportation charges paid by Commodity Credit Corporation. Inventory values for transfer will be determined by representatives of the President of Commodity Credit Corporation on the basis of cost, including all applicable charges, at the place where stored or acquired by Commodity Credit Corporation, plus charges to port, including all additional charges incurred because of cancellation of shipping facilities or redirection to another port.
3. Commodity Credit Corporation will direct the movement of the commodity to port in accordance with the directive or notice to deliver, and will arrange for receipt of shipments at ports by its own representatives or designated representatives. Shipments will be consigned as requested by the Office of Distribution. Arrangements for transportation and clearance to ports, including QMR number, will be made direct by the Traffic Officer, Commodity Credit Corporation, Washington 25, D.C.
4. Transfer Vouchers and Supporting Documents

Commodity Credit Corporation, through its regional offices, will prepare CCC-OD form 1, Voucher for Transfer to GCP Program, copy of which is attached, covering deliveries to ocean steamer of commodities necessary to meet Territorial and Caribbean Emergency Program requirements. The certified original and one copy of transfer vouchers will be forwarded to Office of Distribution, Program Accounting Office, 150 Broadway, New York, New York, and one copy will be forwarded by air mail to the Hawaiian or Caribbean Finance Office, Office of Distribution. The original voucher will be supported by the documents specified as required to support payment vouchers (see section III-4 above).

5. Monthly Reports of Lifting

Commodity Credit Corporation, through its regional office or designated agency, will furnish Commodity Accountability Section, Finance Division, Office of Distribution, Washington 25, D.C., with monthly reports of the "deliveries-on-board ocean steamer" completed during the month, showing the quantity of each commodity by destination.

V. Sales of Commodities to Meet Requirements of Armed Forces

1. Office of Distribution will issue directives to Commodity Credit Corporation with respect to commodities necessary to meet the requirements of the Armed Forces, which directives will identify the branch of the Armed Forces and provide for a direct sale of the commodities to such branch. Payment to Commodity Credit Corporation will be made by the purchaser from its own funds.
2. Settlement will be made on the basis of the authorized delivery specified in the directive. In the event that the authorized delivery is at a point other than that at which the commodity is stored or acquired by Commodity Credit Corporation, the sales invoice will include all handling and transportation costs incurred by Commodity Credit Corporation. The basic sales price applicable to Lend-Lease shipments outlined in section III-(4) (c) shall be applicable.
3. Vouchers and supporting documents will be prepared by Commodity Credit Corporation in the manner required by the purchaser and such requirements are to be included in the directive. Generally, billings will be made on Standard Form No. 1034, supported by:
 - (a) Warehouse receipts or bills of lading
 - (b) Reweight sheets, loading manifests, or shipping lists
 - (c) Invoice of Commodity Credit Corporation showing details of the total invoice price.

B. Vegetable Oils Held or Purchased by the President, Commodity Credit Corporation, Which are Necessary for Lend-Lease Export

I. Issuance of Directives

The Office of Distribution will prepare directives to Commodity Credit Corporation to transfer to the General Commodities Purchase Program or to sell to Lend-Lease Administration, whichever is applicable (see section B-II and III below), such quantities of oils under Commodity Credit Corporation control as have been mutually agreed upon.

II. Transfer of Inventory of Oil Shipped to Office of Distribution Storage Facility

1. Commodity Credit Corporation will direct the delivery of the oil into bulk storage at the port of export facility designated by the Office of Distribution. The Shipping and Storage Branch, Office of Distribution will furnish Commodity Credit Corporation with the name and address of the receiving storage facility and the delivering carrier.
2. Coincident with the shipment of oil to the designated storage, Commodity will issue general delivery orders, by storage facility, in favor of the Office of Distribution. The Office of Distribution shall furnish the Regional Office of the Commodity Credit Corporation two original on-board ocean bills of lading, properly certified by a representative of the designated Lend-Lease government, irrespective of whether the oil was commingled with Office of Distribution oil, with which to support its invoices and vouchers for the quantity of oil represented by such delivery orders. Such bills of lading for purposes of identification shall show:

Shipper: War Shipping Administrator
on behalf of
(W.F.A.) Commodity Credit Corporation

III. Oil Stored in Commodity Corporation Storage Facility at Point of Export

If the oil is stored by Commodity Credit Corporation at point of export, the inventory value will be carried by Commodity Credit Corporation until the sale of Lend-Lease Administration is consummated by delivery to "available" ocean steamer. Commodity Credit Corporation will issue delivery orders in favor of the Office of Distribution which will then direct the movement of the oil to ocean steamer and obtain all required documents. The Office of Distribution shall furnish Commodity Credit Corporation's Regional Office with two original on-board ocean bills of lading, properly certified by a representative of the designated Lend-Lease government, with which to support its invoices and vouchers. Such bills of lading for purposes of identification shall show:

Shipper: War Shipping Administrator
on behalf of
(W.F.A.) Commodity Credit Corporation

Attachment

(S) Ralph W. Olmstead
Ralph W. Olmstead
Deputy Director,
Office of Distribution

(S) J. B. Hutson
J. B. Hutson
President,
Commodity Credit Corporation

WAR FOOD ADMINISTRATION
COMMODITY CREDIT CORPORATION
CCC-400D Form 1

No

VOUCHER FOR TRANSFER TO GCP PROGRAM

Voucher prepared by CCC-Regional Office at

The commodity described below was transferred from program _____ (year) _____ (Commodity) _____
at _____ (Point of Transfer) _____ under CCC Directive No. _____ and
Notice to Deliver No. _____

Month in which recorded

Description of Transaction (Commodity and Supporting Documents)	Quantity <u>Unit</u>	Transfer <u>Unit</u>	Amount to be Transferred <u>(Dollars)</u>
TOTAL			

CERTIFICATION

This is to certify that the amount shown above is correct and is the amount to be charged to the GCP Program in recordation of the transfer of inventory owned by Commodity Credit Corporation from the amounts of its regional office to the accounts and accountability of the Office of Distribution under the General Commodity Purchase Program.

Signed

Title _____

— Date

(This space for use of Office of Distribution)